



Savannah Resources Plc / Index: AIM / Epic: SAV / Sector: Mining

28 October 2013

**Savannah Resources Plc ("Savannah", "SAV" or "the Company")
Drilling underway at Jangamo**

Savannah Resources plc (AIM: SAV), the AIM listed exploration company, announces that it has commenced an initial drilling programme at the Company's 80% owned 180 sq km Jangamo heavy mineral sands project ('Jangamo' or the 'the Project'), located in a world-class mineral sands province in southern Mozambique.

Highlights:

- Commenced 2,000m, reverse circulation ('RC') drilling programme to further define prospectivity of Jangamo and test key dunal systems within project area
- Previous regional scout sampling conducted by Savannah returned results up to 18.1% total heavy minerals ('RC'), with ilmenite, rutile and zircon recorded in the mineral concentrate
- Project is adjacent to Rio Tinto's major Mutamba¹ mineral sands deposit, which along with another licence area in Mozambique, have an exploration target of 7-12 billion tonnes at 3-4.5% THM
- Agua Terra, which has extensive experience in the Jangamo locality, has been contracted to complete this initial drill programme

Savannah's CEO, David Archer, said "This is a highly exciting time for the Company as we embark on our maiden drilling campaign at our flagship Jangamo project. The programme has been designed to test the prospectivity of the three main morphological zones identified and test key dunal systems which are thought to be prospective for mineral sands. We believe that the Project has the potential to generate significant value for the Company and its shareholders and look forward to reporting on this drilling programme and results in due course."

Drilling Programme Underway

The Project is covered by a series of north-east trending Quaternary dunal and fluvial deposits, many of which have confirmed heavy mineral mineralisation from surrounding explorers. The area has three morphological zones, composed of two inland dunes (red sands) which are the highest areas, separated by a low lying area (alluvial sands) with different sedimentary characteristics (see Figure 1). Initial drilling of 10 holes for approximately 2,000m will focus on defining the stratigraphy of the three main morphological zones and further holes will focus on those parts of the stratigraphy which are thought to be more prospective for mineral sands during the drilling programme. The drilling programme will total approximately 2,000m.

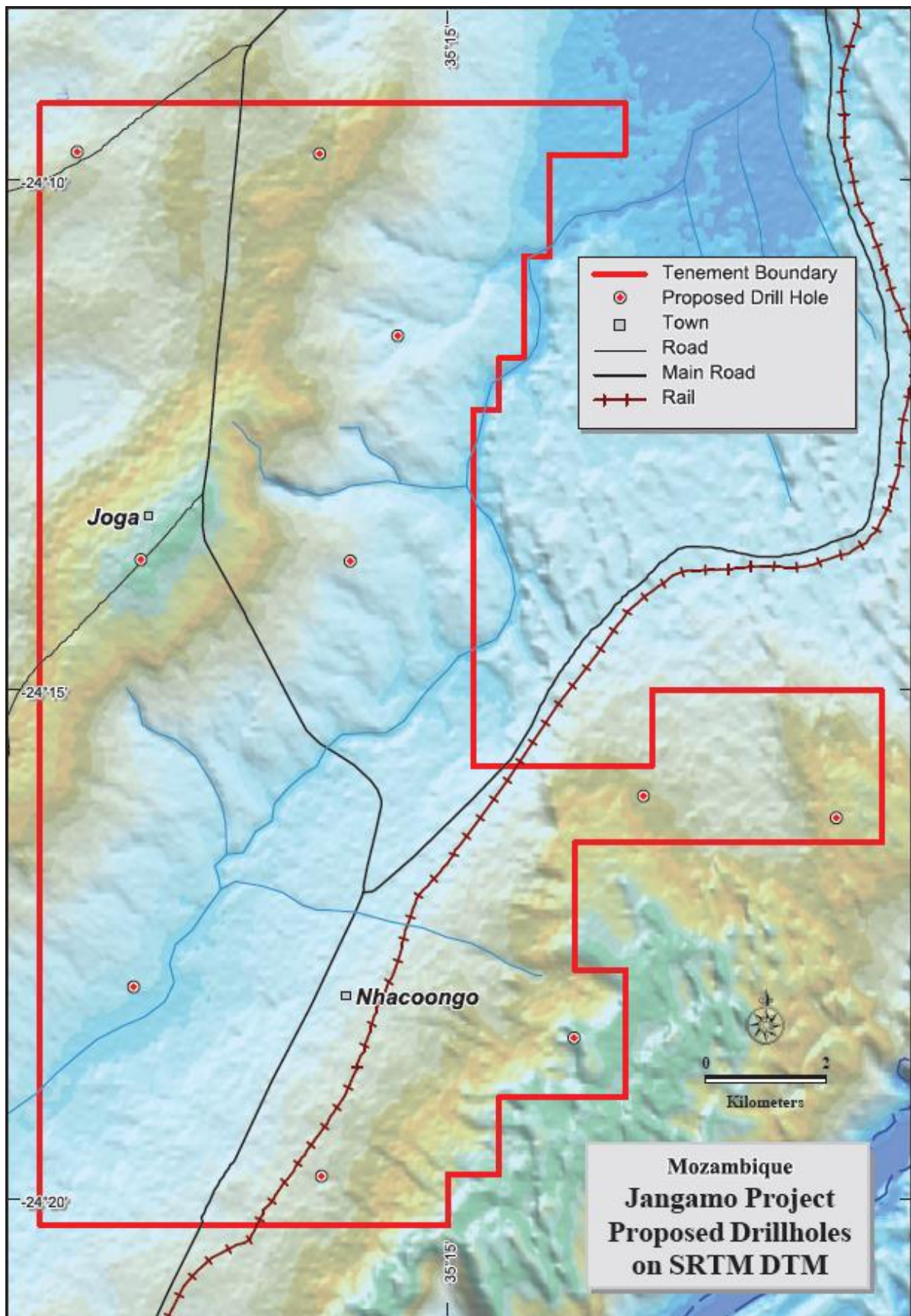


Figure 1: Planned Drill Hole Locations on Sirotem Digital Elevation Model ("SRTM DTM")



Figure 2: Photograph of RC drilling programme at Jangamo Project, October 2013

Further Information

Jangamo Project - Exploration Licence 3617L

The Jangamo Project is located in Southern Mozambique within a world class mineral sands province and is highly prospective for mineral sands including zircon, ilmenite and rutile. The Project covers an area of 180 sq km along an extensive dune system near the village of Jangamo, about 350km to the North East of the capital, Maputo.

Jangamo lies immediately to the west of Rio Tinto's ('Rio') Mutamba deposit, one of two major deposits Rio has defined in Mozambique¹, which collectively have an exploration target of 7-12 billion tonnes at 3-4.5% THM (published in 2008). Importantly, exploration work conducted at the Project to date indicates that the geology and geomorphology of Jangamo is similar to that of Rio's adjacent Mutamba deposit.

Furthermore, a field trip conducted by SAV in May 2013 and scout sampling in the region has confirmed the presence of significant heavy minerals with samples returning up to 18.1% THM with ilmenite, zircon and rutile recorded in the mineral concentrate.

The Project area features excellent infrastructure with both grid power and the main EN1 highway cutting through the middle of the Project. The nearby town of Inhambane is

serviced daily by LAMAir flights out of Maputo and there is excellent logistics in place to support operations, including a small port. The licence is valid until 10 December 2017.

Mozambique Mineral Sands

Based on extensive heavy mineral sand deposits located along most of the 2,700km long coastline, Mozambique has the potential to grow as one of the world's foremost producers of titanium and zirconium minerals. The country is currently the world's fourth largest producer of titanium feedstocks and the fifth largest producer of zircon. Furthermore, in Mozambique, FTSE 250 listed Kenmare Resources Plc has developed the producing Moma Mine, which has a Proved and Probable Ore Reserve of 869Mt @ 3.7% THM and a Measured Indicated and Inferred Mineral Resource of 7.4Bt @ 2.9% THM. Other large deposits, which further confirm Mozambique's prospectivity, include the Chibuto heavy sands deposit, which averages 4% THM, has a reserve of 72 million tonnes of ilmenite, 2.6 million tonnes of zircon and 400,000 tonnes of rutile, and Rio Tinto's Mutamba and Mutamago deposits, which combined have an exploration target of 7-12 billion tonnes at 3-4.5% THM.

About Mozambique

Mozambique has seen significant investment in recent years into both the minerals and energy sectors. Coal has led the way, with large investments in world-class deposits in Tete in progress. Following coal, additional commodities including mineral sands, gold, rare earth minerals and semi-precious stones are being developed. Given that geological mapping is far from complete, and exploration is still in its early stages, the Directors believe it is very likely that more commercial discoveries will be made.

In addition to the abundance of the minerals, Mozambique has relatively inexpensive energy (derived from hydroelectricity, natural gas and, in the near future, thermal coal), excellent natural ports and a motivated and available workforce. The Mozambican Government has a proven commitment to create the conditions necessary to bring mines in the country into production, recognising this as a high national priority.

Competent Person

Dale Ferguson: The technical information related to Exploration Results contained in this Announcement has been reviewed and approved by Mr D. Ferguson. Mr Ferguson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ferguson is a consultant to African Mining & Exploration Plc and Member of the Australasian Institute of Mining and Metallurgy. Mr Ferguson consents to the inclusion in this Announcement of such information in the form and context in which it appears.

Notes

¹[http://www.riotinto.com/documents/ReportsPublications/Titanium mineral sands exploration target in Mozambique.pdf](http://www.riotinto.com/documents/ReportsPublications/Titanium_mineral_sands_exploration_target_in_Mozambique.pdf)

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About Savannah

Savannah Resources Plc (AIM: SAV) is a multi-commodity focussed exploration company. Through its 80% ownership of Matilda Minerals Limitada it operates the Jangamo exploration licence in a world class mineral sands province in Mozambique which borders Rio Tinto's Mutamba deposit, one of two major deposits Rio Tinto has defined in Mozambique, which collectively have an exploration target of 7-12 billion tonnes at 3-4.5% THM (published in 2008). The effectively 30% strategic shareholding in Alecto Minerals Plc provides Savannah with exposure to both the highly prospective Kossanto Gold Project in the prolific Kenieba inlier in Mali and also to the Wayu Boda and Aysid Meketel gold / base metal projects in Ethiopia for which Alecto have a JV with Centamin Plc, under which Centamin Plc are committing up to US\$14m in exploration funding to earn up to 70% of each project. The Company is also evaluating additional opportunities to expand its portfolio and geographical focus.